In any case, it did not make much difference whether it would be completed by 2005 or 2007, because the key question was the sourcing of gas. We still not sourced the gas. I do hope that we will be able to do so by the time we have commissioned the pipeline in February, 2007.

Revision of listing norms by SEBI

*308. SHRI MOTILAL VORA:†
SRIMATI PREMA CARIAPPA:

Will the Minister of FINANCE be pleased to state:

(a) whether in order to give relief to the small size companies, the Securities and Exchange Board of India (SEBI) has reviewed and revised the listing and delisting norms:

(b) if so, the details of major changes and modifications being so made including the reasons for such changes; and

(c) the steps since taken in this direction?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) (a) to (c): A Statement is placed on the Table of the House.

Statement

(a) to (c) The SEBI (Delisting of Securities) Guidelines, came into effect on February 17, 2003. These guidelines govern voluntary and compulsory delisting of securities. A view has been expressed in some quarters that the present procedure for delisting is onerous for small companies. Action has been initiated to address alternatives and to identify a solution that is also consistent with the interests of small investors.

SEBI has not undertaken any review of listing norms for small sized issues.

SHRI MOTILAL VORA: Sir, I had asked whether in order to give relief to the small size companies, the securities and Exchange Board of India has reviewed the listing and delisting norms, the hon. Minister has replied that the SEBI (Delisting of Securities) Guidelines came into effect in February, 2003. Sir, these guidelines, as the Minister himself admitted,

†The question was actually asked on the floor of the house by Shri Motilal Vora

are onerous for small companies. I would like to know from the Minister what steps have been taken by the Ministry to reduce the impact of the situation which is caused becuase of delisting of companies.

SHRI P. CHIDAMBARAM: Sir, the guidelines which I referred to in my answer came into force in February, 2003, based on recommendations made by the SEBI Committee on Delisting, constituted earlier by SEBI. The SEBI Board accepted the recommendations and notified the guidelines, called SEBI Delisting of Securities Guidelines, 2003. As the hon. Member points out, even after these guidelines were made, there have been some representations that these guidelines are hurting small companies. On the other hand, there are small investors. Now, we have to balance the interests of small companies—that is, the management of small companies, promoters of small companies—as against the interests of small investors. We are looking into the following aspects brought to notice following these guidelines. Dispensation of reverse book building process for small size companies which is really the demand of the small size companies' managements, whether an alternative price discovery mechanism, equitable to small shareholders and the procedural requirements can be adopted.

While I would urge the SEBI to look into these rival claims, one for dispensing the reverse book building process made by the small companies promoters, and, the other for a better price discovery mechanism made by the small investor, I cannot fix a time-limit, but we will certainly address the representations brought to the notice of the Government and the SEBI, both by the promoters of small companies as well as by small investors in such companies. I have to keep in mind the interests of both.

SHRI MOTILAL VORA: Sir, I would like to know what actions have been initiated by the Ministry to redress the problems and solve the problems of small investors.

SHRI P. CHIDAMBARAM: As I said, SEBI is looking into these representations; the Government too is looking into these representations. But we have to look into the representations of both, the promoters of small companies as well as small investors and take a balanced view.

SHRIMATI PREMA CARIAPPA: Sir, there are many companies which have come and collected huge amounts of money from the public and have vanished. I would like to know from the hon. Minister what action the Government can take against those companies which have cheasted millions of small investors. I would also like to know from the hon. Minister whether the representations from small companies or associations against the guidelines were received, either by the Government or by the SEBI, after the SEBI guidelines came into effect. If so, the number of representations received and the actions that the Government would like to take.

SHRI P. CHIDAMBARAM: Sir, I have already answered the second part of the question. I cannot give the exact number of representations. I have given the gist of the representations made both by promoters of small companies on the one hand; and, by the small investors in the small companies on the other. All these representations are being looked into both by the Government and the SEBI.

As regards the first question of the hon. Member, after this Government came into force, we have taken strong action against the vanishing companies. The Ministry of Company Affairs, SEBI and the Ministry of Finance have acted jointly. The Ministry of Company Affairs, I understand, has launched prosecution against a number of companies. If you wish to have information about the number of prosecutions and the number of companies, I would respectfully request you to put a question to my colleague, the Minister of Company Affairs. He has a complete list of companies against which prosecution has been launched.

'वैट' को लागू करने के पश्चात राज्यों के राजस्व में वृद्धि

309. **श्री राज मोहिन्दर सिंह मजीठा:**
डा॰ मुरली मनोहर जोशी:†

क्या वित्त मंत्री यह बताने की कृपा करेंगे कि:

(क) क्या यह सच है कि देश के विभिन्न राज्यों में 'वैट' लागू होने के बाद राज्यों के राजस्व में अलग-अलग दरों में वृद्धि हुई है;

(ख) यदि हां, तो वर्ष 2005-06 की प्रथम तिमाही में प्रत्येक राज्य के राजस्व में वृद्धि की दर क्या थी; और

†The question was actually asked on the floor of the house by Dr. Murli Manohar Joshi.